

### REMARKS

As a preliminary matter, Applicants appreciate the courtesy extended to Patrick G. Burns in a personal interview conducted on June 25, 2003. The independent claims were discussed generally, as was the Ginter reference. No agreement was reached.

Applicants reviewed the Ginter reference in detail, as discussed at the interview. While Ginter apparently discloses the concept of maintaining a portion of a program in a virtual distribution environment (VDE) (see column 20, lines 27-47), Applicants did not find a disclosure of a system in which a user unit has a plurality of physical elements, and license information is partly decoded by one of the physical elements, with the partially decoded license information being sent to another of the physical elements to be decoded, as in the present invention.

Ginter discloses various ways of moving packets of data in a network, but it does not disclose or suggest the way in which data is controlled and moved in the present invention. As seen in Fig. 14 of the present application, the user system is described as including both a storage device 140 and a separate reproduction device 144. License information is partially decoded by the storage device 140, and the partially decoded license information is sent to the reproduction device 144 to be decoded. Ginter does not disclose this aspect of the present invention.

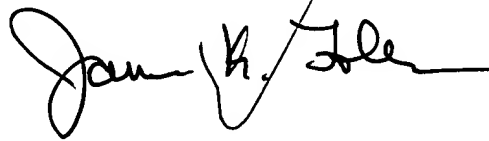
Applicants fully appreciate the difficulty in reviewing the Ginter reference, but submit that since Applicants' review of the reference did not uncover the claimed invention,

the burden is on the Examiner to cite specific portions of the Ginter reference to support a rejection. Specific cites are respectfully requested if the claims are again rejected.

For the foregoing reasons, Applicants request reconsideration and allowance of the claimed invention. Should the Examiner be of the opinion that a telephone conference would aid in the prosecution of the application, or that outstanding issues exist, the Examiner is invited to contact the undersigned.

Respectfully submitted,

GREER, BURNS & CRAIN, LTD.

A handwritten signature in black ink, appearing to read "James K. Folker", written over a horizontal line.

By

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July 25, 2003

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